IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE P.R.RAMAN

THURSDAY, THE 18TH JANUARY 2007 / 28TH PAUSHA 1928

WP(C).No. 2168 of 2007(G)

PETITIONER:

M/S. KALLIYATH STEEL ENTERPRISES,
DEALERS IN IRON AND STEEL, V/897,
KANJIKODE, PALAKKAD, REP. BY PROPRIETOR,
ITS MR. YASIR ARAFAT, S/O. KHALID HAJEE,
CHANDRA NAGAR, PALAKKAD.

BY ADV. SRI.K.SHIBILI NAHA

RESPONDENTS:

1. THE INTELLIGENCE INSPECTOR,
   INTELLIGENCE SQUAD-II, DEPARTMENT OF COMMERCIAL
   TAXES, PALAKKAD.

2. STATE OF KERALA, REP. BY
   CHIEF SECRETARY, SECRETARIAT,
   THIRUVANANTHAPURAM.

BY GOVT.PLEADER SRI SOJAN JAMES

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 18/01/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

P.R. RAMAN, J.

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W.P.(C) NO. 2168 OF 2007

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DATED THIS, THE 18TH DAY OF JANUARY, 2007

J U D G M E N T

Petitioner is aggrieved by the notice of demand Ext.P1 issued under Section 47(2) of the Kerala Value Added Tax Act, 2003, requiring him to furnish security deposit of Rs. 34,012/- which is double the amount of tax attempted to be evaded.

2. Ext.P1 notice was issued entertaining a suspicion that there is an attempt to evade payment of tax and there is no nexus between the quantity transported and the documents produced and further, the goods were proceeding to a different direction. Therefore, unless the petitioner is finally heard and enquiry completed, it cannot be said that suspicion entertained by the authorities is baseless. However, petitioner pleads that he is a registered dealer and requiring him to pay double the tax amount by way of security will cause undue hardship to him.

3. Heard the learned Government Pleader. There will be a direction that if the petitioner pays 50% of the amount covered by Ext.P1 and furnishes a security bond without sureties, the goods will be released to him. Thereafter, the matter shall be sent for adjudication.

P.R. RAMAN,
JUDGE.

knc/-